THE JOURNAL OF ACCOUNTANCY

VOL. LVIII
JULY, 1934—DECEMBER, 1934

NEW YORK
AMERICAN INSTITUTE PUBLISHING CO., INC.
135 CEDAR STREET

Copyright, 1934, by
AMERICAN INSTITUTE PUBLISHING CO., INC.

INDEX

PAGE

Accountants Disagree, When Lawyers and. E. E. Wakefield 117
Accountants, Under Securities Exchange Act of 1934, Liability of. Spencer Gordon 251
Accounting for Creamery and Dairy Products. John H. Worman 358
Accounting for Industry, Uniform. Charles B. Couchman 333
Accounting Perspective of Society, An. Edmond Gattone 258
Accounting Principles and the Statutes. Henry Rand Hatfield 90
Accounting Questions:
- Accounting for Credit from Forgiveness of Debt 235
- Accounting for the Exchange of Municipal Bonds 392
- Cash Surrender Value of Life Insurance on Balance-sheet 393
- Depreciation Allowance for an Electric Light Company 73
- Determination of Earnings and Surplus with Regard to Dividends 316
- Expenses on Property Acquired Through Foreclosure 315
- Federal Income Tax as an Expense 155
- Interest Paid on Bonds or Notes as Cost of Inventory 236
- Profits on Sales of Securities 234
- Treatment of Secret Reserves Under National Securities Acts 154
- Verification of Accounts Receivable 391

American Institute of Accountants' Examinations, November, 1934 ... 409
Balance-sheet, Treasury Shares on the. H. G. Bowles 98
Bank, Examination of a. L. zur Nieden 11
Book Reviews:
- *Accounting for Corporations* 388
- *Accounts of an Oil Company* 69
- *Cost Accounting for Control* 230
- *Double Taxation of Property and Income* 153
- *Higher Control* 388
- *Practical Business Statistics* 231
- *Principles of Accounting* 473
- *Problems in Accounting* 473
- *Public Utility Valuation* 70
- *Retail Accounting* 231
- *Security Analysis* 232
- *Simplified Mathematics for Accountants and Executives* 389

Campaign Against Double Taxation, The. Ralph Coughenour Jones 198
Campbell, William Bynner 53
C. P. A., The Future of the. Charles Weissinger 282
Correspondence:
- The Question of Prophecy 225
- Stated Capital and Treasury Stock 152
- Treasury Shares 314

Costs Be Capitalized, Should Intangible Drilling. S. S. Webster, Jr. ... 121

PAGE

Costs Under Capitalism and Communism. H. Barger and W. T. Baxter 106
Current Literature....78, 157, 237, 319, 395, 477
Dairy Products, Accounting for Creamery and. John H. Worman.... 358
Depreciation Under the Revenue Act of 1934. Maurice E. Peloubet... 169
Double Taxation, The Campaign Against. Ralph Coughenour Jones.. 198
Editorial:
Accountancy Unlike Other Professions.... 89
America Could Not Escape.... 168
America—Spendthrift Extraordinary.... 163
Ancient Audit Certificate, An.... 250
Annual Meeting of Institute....83, 328
Annual Meetings of Accountants.... 249
At the Green Baize Table.... 162
Bad Departure from Custom, A.... 2
Bookkeeping Not a Basis of Value.... 242
Care for the Future Investor.... 246
Certification According to Instruction.... 401
C. P. A.'s Obligation to the State.... 327
Competitive Bidding Is Condemned.... 6
Critics Seem Slightly Confused.... 5
Custom Not Sufficient Justification.... 243
Decision Not Hastily Made.... 405
Destroying the Dignity of Labor.... 165
Development of Accounting Principles.... 407
Double-Entry Belabored.... 5
Eminent Opinion on Solicitation, An.... 82
Emphasis Upon the Word "Public".... 331
Foolishness of Competitive Bidding, The.... 323
Great Accomplishments Are Possible.... 7
Important Innovation, An.... 245
Independent Audits of Railway Accounts.... 245
Individual Practice or Partnership?.... 321
Inflation Could Destroy Us.... 166
Land of Dreams, The.... 248
Lest We Forget.... 161
Let Each Man Answer.... 85
Minimum Fees for Accountants.... 8
Montana Act Held Unconstitutional.... 328
Needless Detail in Reports.... 325
No Restriction Should be Permissible.... 402
Partnership Not to be Lightly Entered.... 323
Payment Must Be Made Some Day.... 164
Prime Purpose Is the Determining Factor.... 86
Profession's Welfare Comes First.... 87
Prophecy Has No Part in Accountancy.... 9
Questionable Use of Certificates, A.... 326
Question of Ethics, A.... 3
Question of Prophecy is Revived.... 88

PAGE

Refusal to Certify May be Unfair 402
Sad Lack of Knowledge, A 4
Seventy-third Congress, The 81
Similar Action in New York 406
Stock Overvaluation Condemned 241
Tact and Good Nature Are Needed 322
Terrible Record of Inflation, The 167
Theory Does Not Work, The 8
Treatment of Donated Stock 407
Two-Class Legislation Decried 404
Two Ways—But Only One Can Save Us 165
Unqualified Certificate, An 1
What Is Advertising? 84
Who Shall Choose the Auditor? 324
Why Forget Investors in Esse? 247

Examination of a Bank. L. zur Nieden 11
Future of the C. P. A., The. Charles Weissinger 282
Illinois Bell Telephone Company Case, The. Percival F. Brundage 459
Industry, Uniform Accounting for. Charles B. Couchman 333
Institute Examination in Law. Spencer Gordon 308
Lawyers and Accountants Disagree, When. E. E. Wakefield 117
Legal Notes. Edited by Harold Dudley Greeley.
Long Litigation 131
Need for Audit 131
Proof of Mailing 132
Subrogation of Insurer on Surety Bond 372
Liability of Accountants Under Securities Exchange Act of 1934. Spencer Gordon 251
Practice Under the Securities Act of 1933 and the Securities Exchange Act of 1934:
From the Viewpoint of the Accountant. Rodney F. Starkey 431
From the Viewpoint of the Attorney. A. I. Henderson 448
Preferred Stocks, Working-Capital Safeguards of. Lloyd B. Raisty 39
Revenue Act of 1934, Depreciation Under the. Maurice E. Peloubet 169
Should Intangible Drilling Costs Be Capitalized? S. S. Webster, Jr. 121
Statutes, Accounting Principles and the. Henry Rand Hatfield 90
Students' Department. Edited by H. P. Baumann.
American Institute of Accountants' Examination, May, 1934:
Accounting Theory and Practice, Part I 54, 134
" " " " Part II 139, 213
Auditing 289
Goodwill in Consolidated Balance-Sheet Problems 465
Ohio C. P. A. Examination 297, 375
Taxation, The Campaign Against Double. Ralph Coughenour Jones 198
Telephone Company Case, The Illinois Bell. Percival F. Brundage 459
Treasury Shares on the Balance-sheet. H. G. Bowles 98
Uniform Accounting for Industry. Charles B. Couchman 333
When Lawyers and Accountants Disagree. E. E. Wakefield 117
Working-Capital Safeguards of Preferred Stocks. Lloyd B. Raisty 39

AUTHORS OF ARTICLES IN THIS VOLUME

H. Barger. Lecturer in Economics, University College, University of London, London, England.

W. T. Baxter. Chartered Accountant (Scotland).

H. G. Bowles. Certified Public Accountant (California). With Lybrand, Ross Bros. & Montgomery, Los Angeles, California.

Percival F. Brundage. Member, American Institute of Accountants. Certified Public Accountant (Louisiana, Massachusetts, New Jersey, New York). Member of firm, Price, Waterhouse & Co., New York, New York.

Charles B. Couchman. Member, American Institute of Accountants. Certified Public Accountant (California, Missouri, New York, Pennsylvania). Member of firm, Barrow, Wade, Guthrie & Co., New York, New York.

Edmond Gattone. Certified Public Accountant (California). With Division of Corporations, State of California, Los Angeles, California.

Spencer Gordon. Member of firm, Covington, Burling, Rublee, Acheson and Shorb, Attorneys, Washington, District of Columbia.

Henry Rand Hatfield. Professor of Accounting, Department of Economics, University of California, Berkeley, California.

A. I. Henderson. Member of firm, Cravath, De Gersdorff, Swaine & Wood, Attorneys, New York, New York.

Ralph Coughenour Jones. Certified Public Accountant (Illinois). Associate Professor of Accounting, Yale University, New Haven, Connecticut.

Maurice E. Peloubet. Member, American Institute of Accountants. Certified Public Accountant (New Jersey, New York). Member of firm, Pogson, Peloubet & Co., New York, New York.

L. B. Raisty. Certified Public Accountant (Georgia). Assistant Professor of Accounting, University of Georgia, Athens, Georgia.

Rodney F. Starkey. Member, American Institute of Accountants. Certified Public Accountant (Louisiana, New Jersey, New York). Member of firm, Price, Waterhouse & Co., New York, New York.

E. E. Wakefield. Associate, American Institute of Accountants. Certified Public Accountant (Massachusetts). With Lybrand, Ross Bros. & Montgomery, Boston, Massachusetts.

S. S. Webster, Jr. Member, American Institute of Accountants. Certified Public Accountant (California, Maryland). Partner, Mattison & Davey, Los Angeles, California.

Charles Weissinger. Member, American Institute of Accountants. Certified Public Accountant (Pennsylvania). In practice on own account, Philadelphia, Pennsylvania.

John H. Worman. Member, American Institute of Accountants. Certified Public Accountant (Tennessee). With Peat, Marwick, Mitchell & Co., Memphis, Tennessee.

L. zur Nieden. Member, American Institute of Accountants. Certified Public Accountant (Pennsylvania). With Peat, Marwick, Mitchell & Co., Philadelphia, Pennsylvania.